

## WASHINGTON STATE INVESTMENT BOARD

### Administrative Committee Meeting Minutes May 20, 2004

The Administrative Committee met in open session at 8:34 A.M. at the Washington State Investment Board (WSIB) office at 2100 Evergreen Park Dr S.W., Olympia, Washington.

Committee Members Present: George Masten, Chair  
Patrick McElligott, Vice-Chair  
Debbie Brookman  
Glenn Gorton

Committee Members Absent: John Charles

Others Present: Joe Dear, Executive Director  
Theresa Whitmarsh, Deputy Director for Operations  
Erwin Vidallon, Finance and Budget Manager  
Kristi Walters, Executive Assistant  
Paul Silver, Assistant Attorney General

[Names of other individuals attending the meeting are not included in the minutes, but are listed in the permanent record.]

Chair Masten called the meeting to order and identified the members in attendance.

#### **ADOPTION OF MINUTES – APRIL 15, 2004**

**Mr. McElligott moved to adopt the Administrative Committee minutes of April 15, 2004. Ms. Brookman seconded and the motion was approved unanimously.**

#### **2005 – 2007 BUDGET PLANNING**

Mr. Dear introduced initial staff suggestions for the 2005-2007 budget. He said that this is a starting point and the budget will be discussed further at the June and July Administrative Committee meetings and presented to the Board at its July 22 meeting.

Mr. Dear said that the WSIB's current appropriation is \$13.4 million. Maintenance level adjustments include contractual obligations, and information technology and general equipment replacement. Staff suggestions for the budget include 1) increasing real estate investment staff from three to five FTEs due to the portfolio's growth and complexity, and the number of relationships which staff hopes to expand next biennium; 2) adding two investment officers and creating three assistant senior investment officer positions in the fixed income unit based on the recommendation of Callan Associates, Inc.; 3) expanding public equity investment staff based upon the Board's direction with regard to proxy voting; 4) increasing private equity investment staff by two FTEs to manage increases in venture capital funds which have a higher return potential; 5) an enterprise risk management program; and 6) data warehouse and data management initiatives.

The Committee discussed options for staffing the proxy voting workload. It was the Committee's consensus to focus on Option 1 for proxy voting/corporate governance, which would increase public equity investment staff by 2 FTEs. That option assumes contracting for proxy voting research and voting.

There was no further business to come before the Committee. The meeting adjourned at 8:54 A.M.